

HOUSE FINANCE COMMITTEE
April 29, 2022
9:03 a.m.

9:03:32 AM

CALL TO ORDER

Co-Chair Merrick called the House Finance Committee meeting to order at 9:03 a.m.

MEMBERS PRESENT

Representative Kelly Merrick, Co-Chair
Representative Dan Ortiz, Vice-Chair
Representative Bryce Edgmon
Representative DeLena Johnson (via teleconference)
Representative Andy Josephson
Representative Bart LeBon
Representative Sara Rasmussen
Representative Steve Thompson
Representative Adam Wool

MEMBERS ABSENT

Representative Neal Foster, Co-Chair
Representative Ben Carpenter

ALSO PRESENT

Shelly Willhoite, Chief Budget Analyst, Office of Management and Budget, Office of the Governor; Elise Sorum-Birk, Staff, Representative Andy Josephson; Representative Matt Claman, Sponsor.

PRESENT VIA TELECONFERENCE

None

SUMMARY

HB 226 PAY INCREASES FOR STATE ATTORNEYS

HB 226 was HEARD and HELD in committee for further consideration.

HB 416 BONUSES FOR NONUNION PUBLIC EMPLOYEES

HB 416 was HEARD and HELD in committee for further consideration.

Co-Chair Merrick reviewed the agenda for the meeting.

#hb226

HOUSE BILL NO. 226

"An Act relating to the compensation of certain public officials, officers, and employees not covered by collective bargaining agreements; increasing the salaries of certain attorneys employed by the state; and providing for an effective date."

[9:04:07 AM](#)

REPRESENTATIVE ANDY JOSEPHSON, SPONSOR, presented HB 226. The bill had a direct focus on increasing the pay for attorneys within the State of Alaska to improve retention. He had once worked for the Public Defender's Office and had personally witnessed significant disparity in pay for attorneys. Further aggravating this difficulty was the fact that state lawyers fell into the classification of "partially exempt" employees, meaning they did not belong to a union and could only receive pay increases at the behest of the legislature. A pay increase for this employee class had not taken place since 2015. The beginning salary for an Attorney 1 in Alaska was \$62,000, but the starting salary for an entry-level municipal attorney in Anchorage was \$85,000. The bill would increase salaries by 10 percent and change the starting salary to \$68,000. The increase was statutorily required in Title 39. The commentary on the bill in the House State Affairs Committee suggested that 10 percent remained too low. He reported hearing about retention problems in the finance subcommittee for the Department of Law. To help alleviate the problem, he and Representative Matt Claman inserted bonuses into the current budget, however this was not a permanent solution.

Representative Josephson continued that he learned from Ms. Cori Mills and Mr. John Skidmore from the Department of Law (DOL) that there were 15 vacant positions and 18 positions in active recruitment. In FY 22, the department hired 22 attorneys and 17 attorneys left the department. In the criminal division, there were 22 attorney positions open

and 12 were in active recruitment. He relayed that attorneys were leaving because the pay was poor, and the work was challenging and often disturbing. The attorneys in the Office of Children's Services had a high turnover rate and active attorneys were often inexperienced. Efforts had been made by DOL to solve the issue by recruiting students out of law school and hiring people who had not passed the bar exam. There was a national district attorney salary study that recommended a wage of \$87,000, and the state only paid \$62,000. Ms. Mills stated that since 2018, 93 out of the 123 attorneys in the Civil Division had left. Ms. Mills shared she had one opening for 106 months without it being filled. He explained that solving the retention problem related to state attorneys involved paying bonuses as well as increasing salaries.

Representative Josephson read a portion of a letter he had received from an attorney within DOL. The letter highlighted the importance of having skilled attorneys in the state. He relayed that he had also received an email from a public defender in Montana who shared that entry-level attorneys earned \$81,000 in Montana.

Co-Chair Merrick noted Representative Wool and Representative Rasmussen had joined the meeting.

[9:18:02 AM](#)

Vice-Chair Ortiz asked how long it took to lose the 93 attorneys mentioned by Representative Josephson.

Representative Josephson responded that Cori Mills testified that 93 attorneys out of 143 attorneys had left the Civil Division since 2018.

[9:18:54 AM](#)

Representative Thompson wondered if the attorneys who worked for Legislative Legal Services would be affected by the bill.

Representative Josephson indicated they were not included as they were paid through the Legislative Affairs Division. He thought that they were overworked and agreed that was also a problem. It was a larger issue and the bill only targeted one aspect of the problem.

Representative Thompson understood and would look into the issue.

[9:20:14 AM](#)

Representative Edgmon recalled that the legislature was adding an attorney within Legislative Legal Services and was including a broad compensation package. He asked the bill sponsor to provide perspective concerning high turnover rates for attorneys in the criminal justice system. The legislature had proposed several bills to address turnover and he was convinced that the turnover issue was endemic. He invited Representative Josephson to comment.

Representative Josephson indicated he and Representative Claman agreed with Representative Edgmon's opinion. Entry-level attorneys in the state were often sent to rural Alaska within their first six months of employment to prosecute serious felonies. In bigger cities like Anchorage, attorneys were placed into one area of focus such as drugs or property. Whereas, in the rural areas of Alaska they were required to handle all types of cases. When he personally worked as an attorney in Kotzebue, he had an overwhelming workload of over 800 cases per year. New attorneys would simply not stick around due to the conditions in rural Alaska, and the state needed both new attorneys and experienced attorneys. He indicated the committee would hear testimony in an upcoming meeting about the emotional difficulty experienced by attorneys in these situations. The administration was aware of the seriousness of the issue and watching the committee hearing. He reiterated that the sentiment expressed in the State Affairs Committee was that a ten percent salary increase for attorneys was inadequate.

[9:25:25 AM](#)

Representative Edgmon noted that deputy commissioners often made a significantly higher wage but also worked significantly longer hours. He thought the workload was a crisis.

Representative Josephson relayed that public defenders and prosecutors had coalesced around the legislation and wanted the system to work. They cared about their work and wanted

to stick around but could not afford to under the current system.

[9:27:06 AM](#)

Representative Wool commended the bill sponsor for sharing the information. He remarked that many other professions were facing the same issues. For example, the state was experiencing difficulty retaining teachers largely due to issues with wages and benefits.

Co-Chair Merrick thanked Representative Josephson for presenting his bill. The committee would take a 10-minute break to attend the Committee on Committees meeting.

[9:28:20 AM](#)

AT EASE

[9:43:40 AM](#)

RECONVENED

Vice-Chair Ortiz asked Ms. Shelly Willhoite to address the fiscal note.

SHELLY WILHOITE, CHIEF BUDGET ANALYST, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, reviewed the fiscal note by the Office of the Governor with control code WEDhh. She relayed that the fiscal note reflected the costs of the proposed 10 percent increase for attorneys. The fiscal note amounted to just over \$8 million. She read through the figures on the fiscal note.

[9:45:52 AM](#)

Representative LeBon indicated there were a number of vacancies that needed to be filled. He asked if the figures for the 10 percent increase in the fiscal note assumed all positions were filled.

Ms. Willhoite responded that the fiscal note did not reflect vacancies.

Representative LeBon asked for clarification that the 10 percent increase did not reflect any vacancies in anticipation that the increase might yield more successful hires.

Ms. Willhoite would get back to the committee after she checked with the analyst that ran the numbers.

9:47:17 AM

Representative Josephson thought it could be argued that the total cost in the fiscal note would still be similar even if vacancies were accounted for.

Ms. Willhoite responded that his perspective was valid. She calculated a flat 10 percent based on the salaries of the currently filled positions.

Representative LeBon asked the bill sponsor if the intent of the bill was to increase the pay for all positions both filled and unfilled.

9:49:01 AM

ELISE SORUM-BIRK, STAFF, REPRESENTATIVE ANDY JOSEPHSON, asked Representative LeBon to repeat his question.

Representative LeBon restated his question. He was trying to understand the fiscal note and wanted to know if the sum reflected all authorized positions. He thought it would be counterproductive to try to fill vacant positions without raising the salaries.

Ms. Sorum-Birk responded that Representative LeBon was correct and that the sum reflected all attorney positions in relevant agencies.

9:50:12 AM

Ms. Willhoite noted that if a position was budgeted for, it was included in the total.

HB 226 was HEARD and HELD in committee for further consideration.

#hb416

HOUSE BILL NO. 416

"An Act relating to the compensation of certain executive branch employees not covered by collective bargaining agreements; and providing for an effective date."

[9:50:54 AM](#)

REPRESENTATIVE MATT CLAMAN, SPONSOR, explained that the bill would add a new statute to allow the legislature to make appropriations for retention bonuses for state employees who were not members of a collective bargaining unit. Based on the advice he had received from Legislative Legal Services, he understood that it was necessary to pass temporary or permanent legislation to enable an agency to properly compensate employees. He thought the House Finance Committee was familiar with the issue.

[9:52:52 AM](#)

Representative Thompson asked for a list of employees that would be affected in the FY 23 budget.

Representative Claman responded that he would be happy to get the list to Representative Thompson. He thought the purpose of the bill was to approve the bonuses already in the budget.

Representative Wool thought that some of the bonuses included in the budget were for the Office of Children's Services (OCS) and other unionized state employees. He noted that the bill affected non-union employees and was curious which non-union employees specifically would be affected.

[9:54:02 AM](#)

Representative Josephson clarified that the OCS bonuses were provided by the governor. The Senate's version of the budget approved classified bonuses and the House's version did not. He noted that the House Health and Social Services Committee added bonuses for nurses.

[9:54:59 AM](#)

SHELLY WILHOITE, CHIEF BUDGET ANALYST, OFFICE OF MANAGEMENT AND BUDGET, reviewed the fiscal note by the Office of the Governor with control code kygUp. The fiscal note had a zero fiscal impact due to a lack of information.

Co-Chair Merrick thanked Representative Claman for his presentation. She reviewed the agenda for the afternoon's meeting.

HB 416 was HEARD and HELD in committee for further consideration.

ADJOURNMENT

9:55:46 AM

The meeting was adjourned at 9:55 a.m.